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FEDERAL COMMUNICATION DESIGNATION OFFICE OF THE SECREMENT"

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M. ANNE SWANSON GREGORY C. STAPLE OF COUNSEL January 8, 1993

Ms. Donna Searcy Secretary of Federal Communications Commission 1919 M Street, NW Washington, DC 20054

Re: Personal Communications Services - ET Docket

No. 92-100

Dear Ms. Searcy:

Transmitted herewith on behalf of American Paging, Inc. are an original and eleven copies of its Reply Comments in the above-referenced proceeding.

In the event that there are any questions concerning this matter. please communicate with the undersigned.

Very truly yours,

George Y/Wheeler

cc: (W/enc.) All Parties

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of

(Communications Services

TO: The Commission

REPLY COMMENTS OF AMERICAN PAGING, INC.

American Paging, Inc. ("API"), by its attorneys, submits its reply comments in response to the Commission's <u>Notice of Proposed</u>

<u>Rulemaking and Tentative Decision</u> released August 14, 1992 in the above-captioned proceeding ("PCS NPRM").

API strongly supports the Commission's initiatives to make 900 MHz narrowband PCS a reality with the least possible regulatory delay. Given the widespread support for expedited Commission action to allocate the 901-902, 930-931 and 940-941 MHz bands, the Commission should now separate the 2 GHZ broadband and 900 MHz narrowband portions of its proposed rulemaking so the deployment of 900 MHz narrowband technologies can commence with the least possible delay.

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(1) There Is Strong Support Among The Commenters That There Should Be No Limitation On The Eligibility Of LEC Or Cellular Operators To Hold 900 MHz Narrowband PCS licenses.

The record in this proceeding contains numerous comments supporting open eligibility to permit all qualified applicants to hold narrowband PCS ("AMS") licenses, including LECs and cellular operators. We have proposed a channelization and licensing structure which assures opportunities for a large number of competitors in each service area. LECs and cellular operators are established telecommunications providers whose longstanding commitments and qualifications confirm their abilities to make important contributions to the deployment of AMS services. The adoption of such open eligibility is needed to obtain the full benefits of rapid deployment, universal availability of AMS services, incentives for development of new and innovative service offerings and robust competition.

(2) We Oppose The Comments Of Arch, Freeman Engineering, Motorola And Others Supporting Adoption of Large Channel Block Sizes.

We strongly oppose the proposals of Arch, Freeman Engineering, Motorola and others for adoption of large channel blocks, i.e. 100, 150, 200, or 250 KHz channel sizes, in connection with, or in place of, the 50 KHz spectrum block size which we support. The licensing of different channel block sizes (some large, some small) will greatly diminish the number of competitors in each

service area below the number of providers possible under our proposals and thereby hinder the rapid and efficient development of the quality communications and other public benefits of AMS services.

We believe that initial licensing of large spectrum blocks also will undercut competitive pressures to develop spectrum efficient technologies. In effect, "the lucky few" who hold licenses for large spectrum blocks will enjoy advantages (not because they are spectrum efficient) simply because they can use technologies and implement deployment plans which their competitors with less spectrum cannot consider using. This too will seriously diminish the opportunities for robust competition to provide quality customer services which we believe will benefit the public most.

Licensing of a combination of large and small spectrum blocks will also undercut healthy incentives to develop intersystem interoperability and roaming. This occurs because use of large spectrum blocks will diminish the number of competitors otherwise possible in each market, create incentives for individual operators to "go it alone" using proprietary or unique technologies and effectively establish different "classes" of AMS service providers based on the channel bandwidths available to each. The Commission should promote the development of the interoperability and roaming features which are highly beneficial to consumers by licensing the large number of providers per market made possible by 50 KHz channelization, denying

all proposals for large spectrum blocks and allowing the marketplace to make the selection of optimal technologies/bandwidths/ system designs based upon operational experience.

(3) We Oppose The Proposals Of UTC For Spectrum Set-Asides Restricted to Internal Company Uses.

We oppose the set-aside proposals of UTC as fundamentally at odds with the Commission's objectives in these proceedings. UTC does not offer any persuasive justification for diminishing the competitive opportunities for the largest possible number of providers to participate in the launch of the new AMS services. The Commission has a unique opportunity here to support rapid and universal deployment of narrowband PCS technologies which will be seriously compromised if it were to adopt the eligibility and use restrictions proposed by UTC.

(4) The Proposals of Metriplex and In-Flight for Preferential Licensing Procedures To Benefit "Pioneers" and "Experimenters" Should Be Denied.

The Commission already has established procedures to award pioneer preferences. These procedures have proved highly controversial and appear to have spawned much litigation in this proceeding. Adoption of the proposals of Metriplex and/or In-Flight would be fundamentally inconsistent with these established procedures, will only lead to additional controversy and will be

entirely unequitable to any potential applicant who did not request a pioneer preference or obtain a Commission license for an experimental AMS program.

CONCLUSIONS

The Commission has an adequate record to support adoption of nationwide and regional allocation of 900 MHz spectrum for a new generation of AMS Services. We urge the adoption of the proposals presented in our Comments because we believe that open entry, robust competition among numerous providers and opportunities for development of new and innovative service offerings will lead to the achievement of all of the Commission's goals in this proceeding.

Respectfully submitted,
AMERICAN PAGING, INC.

By /s/ George Y. Wheeler George Y. Wheeler

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January 8, 1993

Its Counsel